

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1280 - HB 1368

April 1, 2015

SUMMARY OF BILL: Changes the definition of ambulatory surgical treatment center (ASTC) in statute, establishing that an ASTC includes those facilities that utilize a surgical procedure, and does not include any facility which utilizes medical or non-surgical procedures to terminate a pregnancy. Adds to the definition of ASTCs private physicians' offices which annually perform over 50 surgical abortions. Removes from such definition an exemption which excluded dentists' offices in which a substantial number of medical or surgical pregnancy terminations are performed.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill has an effective date of July 1, 2015.
- This bill removes from the definition of ASTCs those facilities in which medical or non-surgical procedures are carried out to terminate a pregnancy. Such non-surgical procedures are typically lower risk and include pregnancy terminations induced by the administration of drugs.
- Based on information provided by the Department of Health (DOH), there are currently only nine ASTCs in the state, including five which currently conduct both surgical and non-surgical procedures.
- Based on information provided by the DOH, removing facilities in which non-surgical procedures are utilized to terminate a pregnancy from the definition of an ASTC will reduce the number of licensed ASTCs; however, including certain physicians' and dentists' practice offices in the definition will increase the number of ASTCs seeking licensure.
- The net effect to the number of licensed ASTCs is unknown, but is assumed to be not significant.
- The Board for Licensing Health Care Facilities will make any necessary changes to rules during regularly scheduled Board meetings.
- The Board had net surpluses of \$599,456 in FY12-13 and \$386,355 in FY13-14.
- The provisions of the bill as amended could alter the number of certificate of need (CON) applications that will be submitted to the Health Services and Development Agency. While this number is unknown, it is assumed that any increase in number of additional CON applications will not be substantial enough to significantly increase the

SB 1280 - HB 1368

agency's current expenditure levels. Application fees will be collected resulting in increased revenue per each application. The net impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

/jdb